
School of Accounting and Commercial Law

ACCY 330 AUDITING

Trimester Two 2015

COURSE OUTLINE

Names and Contact Details	Office	Telephone
<i>Course Coordinator & Lecturer:</i> Ainul Islam Ainul.islam@vuw.ac.nz Office hours: TBA	RH 604	463 6107
<i>Lecturer:</i> Professor Karen Van Peursesem Karen.vanpeursesem@vuw.ac.nz Office hours: TBA	RH 630	463 6314
<i>Lecturer:</i> Mr. Warren Allen FCA Warren.allen@vuw.ac.nz Office hours: TBA	TBA	TBA
<i>Workshop Coordinator</i> Kathleen Makale Kathleen.makale@vuw.ac.nz Office hours: TBA	RH 713	463 5233 extn 8547
<i>Course Administrator</i> Lucy May lucy.may@vuw.ac.nz Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm)	RH 708	463 5775

Please contact the Course Administrator regarding attendance or other inquiries of an administrative nature.

Trimester Dates

Teaching Period: Monday 13th July – Friday 16th October

Study Period: Monday 19th October – Thursday 22nd October

Examination Period: Friday 23rd October – Saturday 14th November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 24th July 2015.
2. The standard last date for withdrawal from this course is Friday 25th September 2014. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

Lecture Times and Locations

Tuesday: Stream A: 12.40 - 1.30 GBLT2, Government Buildings, Pipitea
Stream B: 1.40 - 2.30 RHLT2; Rutherford House, Pipitea
Thursday: Stream A: 12.40 - 1.30 GBLT2, Government Buildings, Pipitea
Stream B: 1.40 - 2.30 RHLT2; Rutherford House, Pipitea

Attendance at Lectures

This is a lecture based course. Therefore, you are strongly recommended to attend *all* lectures. Much information, which is examinable, is conveyed by the *spoken word only* and is not posted on *Blackboard* or otherwise distributed!

Tutorials

Tutorial sign up instructions for 'MyAllocator' can be found on Blackboard under 'Tutorials'.

Course Delivery

Throughout this course the application of theoretical knowledge and concepts of auditing and International Standards on Auditing (ISA-NZ) and Professional & Ethical Standards (PES) available at www.xrb.govt.nz will be applied to relevant auditing contexts.

The course will be delivered through:

- Two 1-hour lectures for 12 weeks
- Four 100 min workshops (see Course Timetable for scheduling)

Expected Workload

In addition to the course delivery hours (below), students are expected to spend approximately 12 hours per week in reading and preparation.

Students are strongly advised to read the chapter material assigned *before* coming to lectures.

Prescription

Concepts and practice of auditing.

Course Objectives:

By the end of the course you should be able to:

1. Explain and evaluate the purpose of auditing and the role of the auditor,
2. Evaluate and apply professional standards, professional ethics and auditors' legal liability,
3. Understand the importance of professional judgement in the areas of materiality, risk assessment and audit evidence,
4. Apply audit concepts and theory to the practice of auditing in the business world.

Course Content

The lecture schedule is provided in the course timetable found within this course outline.

Required Textbook

Both the text *and* the Readings (on Blackboard) are required for this course:

Text: Moroney, R, Hamilton, J. and Campbell, F (2013). *Auditing: A Practical Approach, 2nd Edition*. John Wiley & Sons Australia, 08/2013. VitalBook file. ISBN:9781118377901

NB: The text is available in hard copy from Vic books. While it is also available for sale online from the publisher, you should understand that neither Victoria University nor any of its teaching or administrative staff provide any support whatsoever for any technical problems you could possibly encounter with any online purchase. It is your responsibility to resolve any issues with the seller.

Mandatory Course Requirements

- Take the mid-trimester test.
- Give one workshop presentation

WARNING: Due dates, times and conditions are firm. Late submission penalties, where late submissions are offered, are set out under specific assessment description).

Any student who is concerned that they have been (or might be) unable to meet any of the MCRs because of exceptional personal circumstances, should contact the course coordinator as soon as possible.

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

Assessment Requirements

Assessment

Assessment Handbook will apply to all Victoria courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

The final grade awarded for this course will be determined on the following basis:

Assessment Item	Specification	%	Date	Course Learning Objectives Covered
Mid-Trimester Test	60 mins; Closed book	25%	Friday 7 August at 5.40pm	(1), (2), (3), & (4)
Workshop: Presentations	(see page 4-5)	16%	Weeks 8, 9, 11, 12	(1), (2), (3), & (4)
Workshop: Non-presenters' assessment	(see page 6)	9%	Weeks 8, 9, 11, 12	(1), (2), (3), & (4)
Final Examination	2 hours; Closed book	50%	TBA (see 'examinations' below)	(1), (2), (3), & (4)

Each of these assessments is discussed on the following pages.

Test

The test will be a combination of short answer questions and/or multiple choice questions. The test is scheduled in the fourth week of the course and will cover material delivered in the first three weeks **and** material covered in the first lecture of Week Four of the course.

NB: The test is a mandatory part of this course.

Marks will be posted on *Blackboard* within three (3) weeks of the test date. Suggested solutions will be made available in the manner to be described in-class.

Workshops

Important note: Due to the student-led nature of the workshops in this course, it is not possible for students to swap workshop times once they have signed up to a particular workshop. This applies to both presenting and non-presenting students. Therefore, please make sure that you are careful in selecting your workshop time. If you are unable to attend the workshop you have signed up for, this may result in a failure to meet mandatory course requirements, and an overall failing grade for the course on that basis.

The workshops will take the form of presentations and discussions around audit cases. Cases will be posted on Blackboard by the end of Week 3 of the course. There will be four case-based workshops of 100 mins each, in which all students are expected to attend and participate. Each student will be assigned to an individual case by the Course Administrator. Case studies focus on topics addressed in lecture and in the text, but they also bring multiple audit issues together in the context of a particular audit situation. Each workshop, and case, will be presented by a group of (usually) 4 ‘presenting’ students.

PRESENTING STUDENTS

Presenting students will have 20-25 minutes (maximum) for their individual presentations and this includes allowing sufficient time for debate on the topic(s). Each student in the presentation team will be expected to present an aspect of the case, and coordinate their aspect with the other presentations. During the presentation, the other students in the class are expected to participate and debate the case study with the presenting students. This means that the presenters must devise means by which they can engage with others in the class to ensure all students not presenting have appropriate opportunities to contribute their own ideas to the case topics and the debate thereon. Students’ research efforts, logic and presentation skills will all be put to the test in these audit-like cases.

The success of case study presentations largely depends on the presenting students getting together before the presentation and planning as to how it will be run. Hence, the presenting students should contact one another as soon as the workshop lists are published. The success of the case study also depends on the quality of the research you have carried out and your analysis of the situation. In other words, success largely depends on the quality of students’ preparation, how well students apply audit principles and practices to their particular situation, and how students lead and manage class discussion, and their presentation skills and the debate/discussion with the class. *Please do not contact anyone external to the university about the case directly, as with no ethical approval, it cannot be authorised.* So please make sure that all research is conducted from publicly-available sources (e.g. annual reports, company websites, etc.).

We recommend that students should **contact others in their team as soon as the workshop lists are published on Blackboard**, using the standard VUW student email addresses¹. At their initial meeting, we suggest that students should go over the topic, come to initial views, plan the presentation and schedule future meetings. Before their second meeting, we recommend that each student should research their individual case, prepare their presentation and develop some ideas about the overall team presentation. Follow-up meetings can be used to refine presentation details and address remaining questions about the material.

Assessment Area and Marks for Presenting Team

Each team member can receive a maximum 16 marks. Please submit hard copies of your (usually PowerPoint slides) presentation material to the tutor at the end of the workshop so that they can review it to set a mark.

Each presenting team member will be assessed on the quality of their individual presentation and discussion/debate with non-presenters based on the following criteria:

(i) ***Strength of and support for positions taken (7 marks possible)***

Evidence of relevant and in-depth research applied to your specific case. This will be based on evidence of reasonable logic to support position(s) adopted or key issues identified from background material and evidence of having used the literature* to support these positions with sound logic and must demonstrate a good understanding of the topic. Therefore, you should go outside the basic readings for this, e.g. to data on the company, refereed journals, media reports, optional chapters, New Zealand law, and/or other relevant sources.

(ii) ***Discussion leadership (3 marks possible)***

A structure or format, such as games, setting up opposing positions or debates or other innovative structures, that establishes the basis for meaningful class discussion. Responses to questions and/or engagement with the class that clearly demonstrates an appropriate knowledge of the topic. The presenting student could also involve other team members to assist with the discussion/debate with non-presenters.

(iii) ***Delivery (3 marks possible)***

The presenter speaks clearly and expressively with a varied rate of delivery. They pitch the presentation at an appropriate level and demonstrate the interpersonal skills required to communicate effectively on the technical matters involved in the case. ***Do not rely on reading notes*** (reading your presentation from notes will result in a failing mark for your presentation).

(iv) ***Transition and conclusion (3 marks possible)***

The presentation materials need to be in order and developed using a clear logical structure. The overall presentation must demonstrate that the presenter worked cohesively with the other members of the group, must demonstrate a smooth transition between each group member, and finally should finish on time (stated time limit) with a satisfactory conclusion.

* The 'literature' referred to above could include references from peer-reviewed journals, professional journals, company material, your text, verified media reports (i.e., not Wikipedia, blogs or unsubstantiated sources), or a combination thereof.

¹ If you do not use this email address, then create a 'divert' within VUW email to your preferred email address.

NON-PRESENTING STUDENTS

Students (other than those presenting) are required to prepare 3-4 pages (hard copy) of bullet-point solutions to the case being presented that week. Students must submit their bullet-point summaries via blackboard by **5pm the Friday of the week before each workshop**.

Additionally, to assist in learning the presentation topic, students should bring the hard-copy of their bullet-point solutions with them to the workshop for use at the presentation. These will be collected by the workshop facilitator, and returned during the following workshop.

Assessment and Marks for Non-Presenters

Each student can receive up to 3 marks for each of the 3 workshops in which they are non-presenters for a total possible 9 marks. Assessment criterion follows:

- (a) Each bullet-point solution (BPS) must be submitted on the 'BPS folder' on blackboard. You should submit your BPS as either a MS Word or .pdf file. The time and date you submitted your BPS is also recorded by *Blackboard*. **Note that - Your BPS must be your own work - group submissions are not permitted**. Bullet point solutions that contain evidence of plagiarism will be subject to the University's disciplinary procedures.

Workshop facilitators will review them to ensure students have made a reasonable attempt at substantial completion of all topics for that week *and* timely submission (**maximum 2 marks**).

- (b) Students must bring a hard-copy of their bullet-point summary to each workshop, where they should make notes on issues raised during the workshop in the margins of their (hard-copy) bullet-point solutions and write out few key points they learned from the workshop. At the end of the workshop, when requested by the facilitator, students should submit the bullet-point solutions (including in-workshop notes). The mark will be based on relevant issue(s) added and timely submission, and will be handed back during the next workshop (**maximum 1 mark**).

Even when you are not making a formal presentation in a workshop, you are expected to contribute to the discussion, and to answer coherently questions put to you by the presenters. This means that you must be properly prepared for all workshops that you attend.

No suggested solutions to workshop questions are provided on *Blackboard* or elsewhere, or distributed by the workshop facilitators. Therefore, you need to attend the workshops to ensure that you get the full benefit of the discussion and debate on the subject material. Workshop facilitators are informed of the material that needs to be covered in your presentations to ensure that the presentations and discussion in the workshops adequately cover the topic, and that there is consistency between each tutorial group.

Caution! "Timely submission" for this (non-presenter) assignment means that, for full credit, students must submit part (a) by 5pm the Friday of the week before each workshop and part (b) in person at the end of their own assigned workshop. There is no credit for attending any workshop other than the workshop you have registered for due to capacity restrictions. If a student submits the bullet-point solutions on another student's behalf the 'Late submission' rules (below) will apply.

Late submissions of the non-presenter assignments receive a maximum of 1 mark (of the 3 possible). Late submissions should be given to the Course Administrator (Ms Lucy May) or to the workshop facilitator within 1 week of the due date. Please be sure to head any late bullet-point solutions of the workshop case (printed copy only) with your full name, student ID number, tutorial number, day and time; tutor name and workshop number. Anyone seeking a 'special consideration' should refer to policies set out below.

Administration of workshop marks

Due to the varied directions that workshop discussions may take, and material that may emerge from the workshop discourse, *no* publication or otherwise of suggested solutions to workshops will be given on Blackboard or distributed by facilitators. However, facilitators will ensure (based on guidance notes available to them) that relevant topics are adequately covered during the presentation and in accompanying discussions. Hence students must attend the workshops to benefit from the presentation and discussion. The course co-ordinator and lecturer are available during our office hours for any follow-up questions you might have.

All questions regarding workshop marks should be addressed, in the first instance, to the respective facilitator within one week of the event or assessment.

Marks for the workshop presentation (participation team only) will be made available to students by the facilitator within two weeks following the workshop. Should students have any problem with these marks they must contact respective tutor before the next workshop or by 15 October 2014 in the case of the last workshop.

Final Examination

The 2-hour closed-book, comprehensive exam can cover any element of the course (including workshop material), with some emphasis on material covered in Weeks 4-12.

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the following period:

Friday 23th October – Saturday 14th November (inclusive)

Penalties

- ***Bullet Point Solutions***

Late submissions of the non-presenter bullet-point solutions receive a maximum of 1 mark (of the 3 possible).

- ***Test & Presentation***

Unjustifiable absence from the test and/or individual presentation will result in a mark of 'zero' for that test & presentation and may result in a student not meeting mandatory course requirements.

Special consideration

Special consideration requests can be received and considered for all internal assessments. Significant, unanticipated circumstances beyond a student's control that prevent a student from completing an assessment on time would be the type of situation for which a consideration may be appropriate. Please be aware however that no outcome is guaranteed for those who apply, and

that even if accepted, or partially accepted, a student would probably have to do some sort of make-up activity. There is a high bar for missing the test or individual workshop presentation.

Nonetheless, if students believe that timely completion of a course requirement is impeded by such a circumstance (e.g. injury or illness, bereavement of a close relative), students should contact the Course Coordinator by email as soon as they become aware of the situation. Students will ultimately be expected to provide explanation supported by independent, relevant evidence for their request to be considered. Students should make every reasonable attempt to complete/attend the assessment by the due date/time as his/her efforts to do so will be part of the consideration. If any student anticipates such a problem, he/she should not delay in notifying the Course Coordinator about it.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

Communication of Additional Information

Any additional information will be communicated in lecture or on Blackboard.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Course Timetable

Date (week beginning)	Week	Topic	Required Reading	Assessment & Events	L*
13 July	1	Introduction and Overview of audit and Assurance NZ Auditing Standards	<i>Chapter 1-</i> all <i>except</i> section 1.7 <i>Reading 1:</i> NZ XRB AU1		KVP
20 July	2	Audit Concepts NZ Auditors' Statutory Environment	<i>Reading 2:</i> Van Peurseem & Pratt '06 <i>Reading 3:</i> Van Peurseem, 2015		KVP
27 July	3	Professional Ethic & Auditor Legal Liability	<i>Chapter 2-</i> all <i>except</i> section 2.5 <i>Reading 4:</i> Notes NZ Code		KVP
3 August	4	Client Acceptance & Continuance Decision Risk Assessment I	<i>Chapter 2,</i> section 2.5 <i>Chapter 3-all</i>	Mid-Trimester Test – Friday 7 August 5.40pm	AI
10 August	5	Risk Assessment II	<i>Chapter 4-all</i>		AI
17 August	6	Audit Evidence	<i>Chapter 5-all</i>		WA
Mid-Trimester Break (Monday 24 August – Sunday 6 September)					
7 September	7	Gaining an Understanding of the Client's Internal Controls	<i>Chapter 6-all</i> <i>Reading 5:</i> Notes Flowchart / DFDs		WA
14 September	8	Execution of the Audit – Testing of Controls	<i>Chapter 8-all</i>	<i>Workshop 1 (in Week 8)</i>	WA
21 September	9	Audit Sampling and Audit Documentation	<i>Chapter 7-all</i>	<i>Workshop 2 (in Week 9)</i>	AI
28 September	10	Execution of the Audit – Performing Substantive Procedures Substantive Testing – Balance Sheet Accounts	<i>Chapter 9-all</i> <i>Chapter 10 -all</i>		AI
5 October	11	Substantive Testing –Income Statements Accounts Completion and Review	<i>Chapter 11-all</i> <i>Chapter 12</i> (Section 12.1 to 12.4 & section 12.9)	<i>Workshop 3 (in Week 11)</i>	AI
12 October	12	Audit Report and Opinion	<i>Chapter 12</i> (section 12.5 t& 12.6) <i>Reading 6a:</i> NZ Report & Opinion Standards & <i>Reading 6b:</i>	<i>Workshop 4 (in Week 12)</i>	AI

*Lecturer Codes: KVP = Professor Karen Van Peurseem; AI = Dr Ainul Islam; WA = Warren Allen.
‘Chapter’ refer to the text. You are strongly advised to read chapters for each week ahead of the relevant lecture.